

To whom it may concern:

I am an attorney specializing in hospitality and liquor control matters at both the state and federal level. I represented 1485 Astor, LLC (the “client”) in the matter before the Michigan Liquor Control Commission identified as Request ID # 2404-04699. The application requested two changes to the current Resort Class C liquor license held by the client:

- Removing a Living Quarters permit
- Adding a Direct Connection permit

This application to the Michigan Liquor Control Commission was made after conversations between the client, myself, and MLCC Inspector Ted Orm. Orm had previously performed inspections on the premises and was familiar with the layout and business operations. Per Orm, the Living Quarters permit had been issued based on previous plans made by the owners regarding the upstairs space, but that ultimately never came to fruition. After Orm spoke with the client about their plans for the upstairs area, he recommended removing the Living Quarters permit and adding a Direct Connection permit. This would allow for compliance with the Michigan Liquor Control Code and associated regulations established by the Commission. The stairs would be licensed as a direct connection, with the second floor space recognized as unlicensed premises.

This application was approved at the August 13, 2024 meeting of the Michigan Liquor Control Commission.

After an additional, thorough review of the Michigan Liquor Control Code and associated regulations, I am confident that there is no prohibition on the owner of a Resort Class C deriving income from the rental of rooms for lodging. While there are limitations on who may receive a Resort Class C liquor license, the client certainly meets those requirements.

I can be reached at nlove@kelley-cawthorne.com with any further questions or concerns.

Sincerely,

Nathaniel Love
Attorney at Law

Nate Love

From: McGehee, Donald (AG) <mcgeheed1@michigan.gov>
Sent: Monday, November 25, 2024 3:14 PM
To: Nate Love
Subject: RE: Mackinac Island

I agree. There is nothing in the Code or rules that outright prohibits that. As you know, the Commission must approve any direct connection. And apparently already did approve the d/b/a Mustang Lounge, BID# 249928 connection. The applicable rule is set forth below. FYI: These types of approvals are common.

R. 436.1039 - Living quarters in connection with licensed premises; other direct connections to licensed premises
Rule 39.

- (1) A licensee shall not have an inside connection between the licensed premises and an unlicensed portion of the same building or another building without the prior written approval of the commission. (2) A licensee, except for a hotel or club licensee, shall not have living quarters connected with the licensed premises, unless a living quarters permit is granted by the commission. (3) If a living quarters permit is granted by the commission to a licensee, alterations shall not be made in the connections between the living quarters and the licensed premises, unless written permission is granted by the commission.

Mich. Admin. Code R. 436.1039 1979 AC; 2016 MR 23, Eff. 12/20/2016.

Let me know if there is anything else I can do to assist.

Best regards,

P.S. Cell phone was okay. I was just not doing the correct sequence for rebooting after it crashed. Thanks for asking.

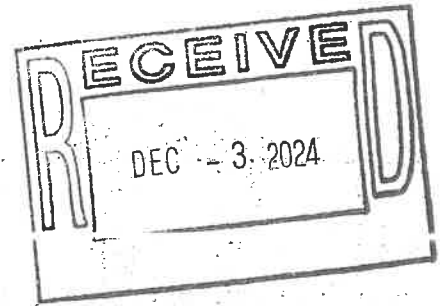
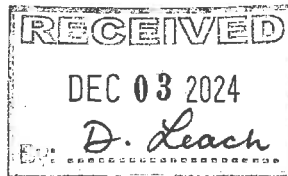
Donald J. McGehee

Division Chief
Alcohol and Gambling Enforcement
Department of Attorney General
2860 Eyde Parkway
East Lansing, MI 48823
Office: (517) 241-0210
E-mail: mcgeheed1@michigan.gov

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Please copy both sides for Dec 20 meeting



From: Nate Love <nlove@kelley-cawthorne.com>
Sent: Monday, November 25, 2024 11:24 AM
To: McGehee, Donald (AG) <mcgeheed1@michigan.gov>
Subject: Mackinac Island

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Hi Don,

It was good speaking with you this morning! Mr. Cawthorne is working with 1485 Astor, LLC (d/b/a Mustang Lounge, BID# 249928) on Mackinac Island on a few zoning changes. The business is licensed as a Resort Class C/SDM with, among others, a Direct Connection permit for two unlicensed apartment areas upstairs. The apartment area is accessible only through an interior stairway near the back of the licensed premises (hence the direct connection).

My understanding is that some of the planning commission members have questions about whether a Class C license allows for apartments or other rental properties at the same address. I believe there is nothing in the Liquor Control Code or regulations that would prohibit such a scenario, but any clarity you can provide would be greatly appreciated.

Thanks,

Nate Love

PS hope your cell phone issue gets resolved quickly and cheaply!

Nate Love
Lobbyist

O: 517.371.1400 | C: 248.767.1281 | nlove@kelley-cawthorne.com
208 N. Capitol Ave | Third Floor | Lansing, MI 48933



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Exhibit K
Date 12.3.24
Initials KP

